

We have Distribution Budget which is all underground

= They also had a service budget

★ 0122  
Bill will follow up on

- size fit leaks should be dropped from BS/CIRP but need to understand what goes in it leak activity

needs to combine O&M & Capex

0175 budget volume seems too low

- CI/BSRP will have minimal effect on corrosion & leak surveys maybe drop 0111 & 0112

- probably won't drop 100% survey

0117 > returns  
0118

in O&M budget but booked a to capital accounts year end & budget \$ better source for \$ due to timing issues

BSt.Cy@DSource.com

- 0119 drop since C1 & BSRP  
are in capital

Bill  
Bill  
Bill  
★

- will investigate what goes into  
2012  
service leaks on DOT reports  
DS budget line items

BSG

10/1/04

Steve, Dan, Doug, Tom on phone  
Ed, Rich, Bob, Mike

- Springfield has newer BS  
it operates @ lower pressure  
per Dan C.

- ★ Dan & Steve agree to new sorting criteria  
per Dan, remaining 70 miles of NPCS  
should be dealt w/ as if BS
- bad shape
  - old
  - small segment

If squeezed hard might find 5-6 miles  
that could be protected

- (BSG)  
★ Dan will put together package to  
defend position on including  
remaining NPCS w/ BS

- ★ Dan & ~~Sam~~ agrees only BS services  
connected to BS main will  
be replaced

★ OK to Statistician

★ OK to Metallurgist if tight scope  
not to debate protecting BS

But Maylor want a leak expert rather  
than Corrosion Expert. Such  
as Heathy Asan Dan has contacts at  
Heathy

---

CapEx

- Add to Procedure Post Project  
Review by Internal BSG Mgrs  
they currently do this  
quarterly

→ Paul Mashota is outside consultant  
they want Rudder to speak w/  
him as part of this work  
can spk w/ him w/in the month

- OK to complete after Oct 31

★ Dan will chase documentation of  
historical capex review meetings

★ ~~Tor says~~ ~~have~~ Sands like we have go ahead  
per Steve

---

★ Q1.00 will be in action on all of T1.11.11

# Financial Model

- ✓ - characterize estimate of zero leak as conservation
- ✓ - replacing  $\sim 14$  mi/yr over last 15-20y  
w/ 500 miles have  $\sim 35^{30}$  yr
- ✓ \* - shorten status quo to real status quo y
- ✓ \* use depreciat rate from plastic  
since over 90% will be plastic  
8" size is cut off & grayline  
between steel & plastic

~~Want to do estimate to document method use~~

\* Rudder to work w/ Dan to define estimate of Progra by town & then explain methodology

✓ \* Eliminate C&I & Residential allocation

Don't feel \* Dan does have Mat'l Off on capital

★ Barholes — remove "dry hole" redundancy

★ ~~Assume~~ May want to assume tracker  
does not have full year

★ Change yr 1 of program to  
2005

- ★ Include in tracker
  - Capital
  - Increase depreciation
  - Increased property tax

★ Spell check for DIT currently DO

---

★ MOM

Send letter to Trish  
to confirm scope & \$  
Change

Caper

10/20/04

Paul LaShoto, Doug Cassary

Paul LaShoto was @ BSG for 12 years  
Head of Engr

- Northern Utilities Bare Steel Program  
may have examples -

Problems

- no copy of approvals
- Corp office doesn't have records that divisions have
- no explanation of growth of expenditures
- matching estimates to actuals
- explanations of overage

Corp  
Site

- had policy anything about ~~XX~~ was bid cost
- all fixed cost of fixed unit price for extras
- all work by contractors
- inspectors on site
- inspectors sign off on anything unusual & over estimate by volume
- "Growth Project" was new customer
- Above applied to all categories of projects ~~where~~ whether growth or not

Re instead of CIAC

## Annual Projects/Annual Bids

Contractors hired in 2 ways

① over \$X's all projects sent out for bid

② routine small projects bid to contractors  
Give list of normal types projects  
if they bid on unit/price

4-5 contractors selected for routine work during year.

With smaller projects did not see a lot of paper work  
had total expenditures by type field locations managed individual project but. Paul not really

- Budgets aggregated @ Division

- Division Manager maybe paid for paper



Have two processes  
 Blue Sheet - T&D  
 Yellow Sheet -  
 Current <sup>Cap</sup> Categories

discre ① Growth discre - revenue

non-discre ② Code Compliance

non-discre ③ 

System	Need - capacity reliability replacement	to meet current customers
System		
System		

 Improvement  
 Reinforcement

non-discre ④ Municipal Improvement  
 forced move due to  
 muni changes/requests

discre - non rev ⑤ Muni Improvement  
 Street Resurfacing over  
~~at~~ pipe that needs replacement  
 allows pipe replacement @ 10-15% c

discre - non rev ⑥ Performance or Condition  
 where pipe is old & needs  
 replacement but is discretionary

Doug  
Tom Birmingham

10/22/04

Cost per Mile Main \$60/ft

Cost per Service \$1400

he needs to check 72,000 At Risk Services  
638 @ Risk mains

- going in 9.25% WACC

ex of 9.25% WACC  $\pm 0.25\%$

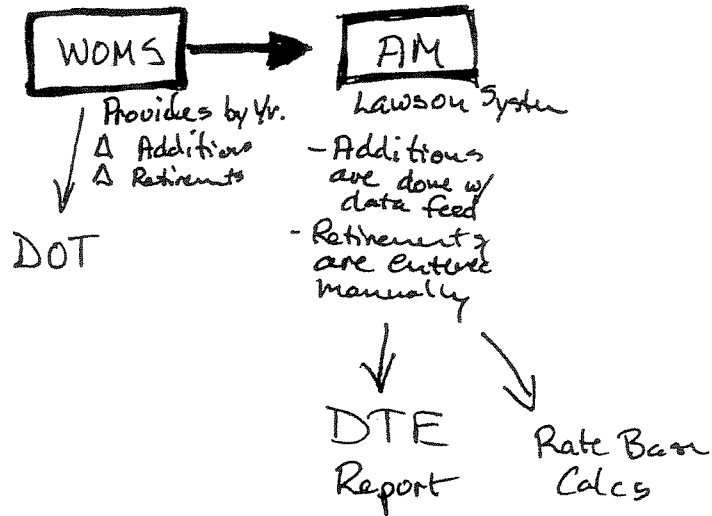
DOT File	BS	UPCS
Mar 2003	506	109
Jul 2003	62135	8402

BSG Conference Call

11/17/04

Steve B, Doug C, Tom B, RWR, Ed, George F.

DOT  
AM



Steve will call us back  
in one day

Song & Tam

11/24/04

BSG

? signed to State level Analysis w/ DOT data?

- Do the State Analysis!

Evaluation of discrepancy

- will hold next mtg Tues w/ large group
- currently appears
  - Asset Mgmt data ok
  - WOMS data ok

- DOT uses a program to extract WOMS data  
it appears logic in extract program is  
wrong

- DOT leak data

- Now questioning the need for DOT  
analysis

- Want Meeting w/ Bob & team to  
discuss how to use our analysis  
in filing, e.g. do we use DOT analysis  
Suggest we do this in our offices

- send template
- send explanation of how to calculate values of OPCS

Wes Mtg 9-10<sup>30</sup>

- 2003 DOT Annual Distribution

Report Data -

RJR Data Reg.

Division level leak data  
1985-2003

Main's Information from Asset Mgr V  
emailed 10-7-04

Leak <sup>Data</sup> ~~Data~~ from WOMS, XLS

BSG

12/1/04

Tom, Doug, Rich, Ed, Mike

Call re: Status of Data Discrepancy

Tuesday Mtg had 15-20 people  
including Steve, Dan & people from Ohio

Differences between DOT & DTE report  
are only footage differences in  
main can # of services has not been  
reconciled.  
# are OK

- Dan Cole assigned a team leader  
Marie Walker to develop a workplan

- Maybe something as simple as coding in report.

\* - Not yet comfortable that miles in  
AM are accurate

- Assume this is going to be a 6 week  
effort to resolve by January 2005

Decided DOT going to ask George F. to do a statistical  
analysis of report.

\* March 15 is rate impact  
\* Schedules due April 15

\* Give Tom a drop dead date for latest date

per Rich - worst case should allow 4 wks  
to restructure.

$\longleftrightarrow \frac{2}{15} \longleftrightarrow \frac{3}{15}$

# BSG Status Report

Conf Call Tom, Doug, Ed, Mike

12/10/04

- Struggled to define a defensible analysis
- Have usable data on BS Mains
  - leaks
  - #
  - quantity
- Still have questionable data on VPCS & Services
- We must make adjustments to ~~what we have~~ deal w/  
~~added there all the VPCS data~~ latest status of data
- Our report can address recommendations for BS & VPCS  
for both mains & services
- What we can deliver is an analytical analysis of  
BS Mains. <sup>data says</sup> BS leaks poor in comparison to US & R
- We then can address ~~the~~ Services & VPCS  
through expert opinions & industry experience  
~~substantive Services react like mains of same material~~  
~~size~~
  - services subject to same corrosion issues  
& degradation as mains
  - VPCS should be worse based on  
expert opinion
- Financial Analysis will address known quantities of  
BS mains then add additional ~~added~~ scenarios  
to cover added # of services & VPCS.



BSG Conference Call  
12/16/04  
Tom Birmingham, Marie Walk, Rob Deukes,  
Ed Anderson, Bob O., Mike M., Doug Casey

Marie says currently just looking  
@ units of main

★ 2 wks ago took though A.M data the  
best now DOT data may be the best

- Marie has found retirements that are  
not part of a main replacement do not  
get to the asset mgmt system  
she thinks it accounts for about 55 mile  
difference between AM & DOT since  
DOT does capture this data

2-2<sup>30</sup> Thursday Friday w/ Steve  
888 481-1480 Doug  
12313 Ed  
Bob

B56

1.5 for 1 wk  
1.0 after 2 wk

- ① Support program thru DOT national & regional comparisons
  - ② limit to BS
  - ③ limit to Brockton
  - ④ Still support same annual investment
- Verify AM data w/ Joe T.

12/17/04 B56 call

Dan C., Doug, Tom, Ed, Joe, Bob, Steve, Rob DeWes

Use \$20M per year

D569

1/20/05

Marie  
reconstructed DOT report starting from  
at DOT 1992 & found much higher  
level of

- In reconstruction -
- DOT BS was 1% variance from ac
- VPCS not complete

- Steve feels Bob hours should  
be backed out of any new  
hours for rate case

**Michael D. Mount**  
**Meeting and Telephone Conference Notes**

**8/5/04**  
**Bay State**

Bay State Gas Company  
D.T.E. 05-27  
RR-AG-20  
Attachment 20(c)  
Page 1 of 24

**Steve Bryant**  
**Dan Cote**  
**Doug Casey in Steve's Group**  
**Rob DeWees- outside attorney**  
**Tom Birmingham**  
**Keith Dalton- Manager Engineering & Constructions**  
**Trish French- Nisource attorney works for Dan Cote**

- Per Steve this is most important issue in rate case
- No new ground in rate case except this issue
- Starting early for 2005 rate case
- A lot of changes since last case w/ 2 mergers
- Brockton facilities the primary issue of rate replacement
- Operational reality. Leaks reliability accelerating
- Will be asking DTE for a departure
- Boston Gas (Keyspan) already has a precedent for one issue rate ratemaking

Agenda

Item II

- Central theme is current depreciation can't find expansion assuming spend \$20M/yr over depreciation.

RR= 15% to 17%

- Base rate case is \$10M increase
- Then plan to put \$20M in ground in 1<sup>st</sup> year so immediately behind
- Nisource driving to reduce debt to to 55%
- Step increase puts BSG in best position chairman of Nisource says he who has best regulatory structure will get the capital.

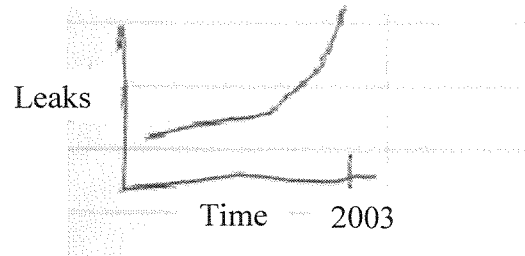
Dan Cody

- CI could be 100+ years old
- BS started use in 1920-50's

\*\*Case should focus on BS but would like to include CI

#### Corrosion

- Unprotected BS degrades fairly uniformly
- 1986 0.4 leaks/mile. All referenced are type 1 & 2 leaks
- went to 0.8 in 10 years
- went to 1.2 in 5 years
- went to 2.4 in 3 years



- hearing that nationwide avg = 1 leak/mile
- cathodic protection not practical so replacement is early option
- current replacement schedule 50-60 years
- system doesn't have 50-60 years left
- question of at what point in curve are you no longer a prudent operation & 192.465 requirement is not being met
- generally replacing facilities at rate= to depreciation for overall plant
- historical plant being replaced is ~ \$5/ft in value and is being replaced at \$50/ft
- consider theme that all U.S. gas/electric infrastructure is dated and degrading

- 
- Dan met w/ pipeline safety head @ DTE and they asked why isn't everyone coming in w/ this problem
  - Winter leaks a bigger problem since frost cup force gas to migrate to sewers, base etc.
  - They try to deal w/ all leaks prior to winter
  - Have cut 15% of workforce after merger but now have hired back
  - Will need to add a construction crew a year even w/replacement program
  - Will take five years of accelerated replacement in Brockton to get leaks back to current rates and will have rising O&M costs for 5 years +
  - The project will not, on a segment by segment basis, be linked to the worst segment for every project
  - For efficiencies BSG will want to do larger regions town at a time, i.e. lower than current average contractors will give them lower prices
  - Better for town planning to have larger project
  - Town leaders unlikely to positive about any work due to costs
  - Construction will increase local property tax
  - Rate impact is 1% per year for 20 years w/ other elements adding 1% total increase w/program and other is 2%

- Currently found on 20 years program to balance rate impact & need
- Their plan is \$20M rate base increases per year for 20 years

- 
- DTE safety staff discussions, informal
    - o Keyspan got cited recently under 465 when house exploded for failure to
- Enstar                      corrosion
- Berkshire
- Keyspan

- They want us to collect New England & nation DOT data for comparison. Will look bad vs. nation and good vs. New England
- DTE staff was in agreement regard leak increase and need to start something
- Have a step adjusting in NH & planning one for main
- DTE always in house but @ BSG but very micro analysis
- DTE safety has request BSG get national leak data and curves that shows non linear increase
- Load growth in Brockton is driving them to operate at close to design pressures @ 100psi
- Look at KPL Kansas for BS services that got in trouble a few years ago - 10 years ago big explosions
- Commission is opposed to frequent rate cases
- Dan feels they got independent audit 3 times a week. DTE monitoring their crews & DTE monitors perform process against BGS O&M standards
- Dan very comfortable w/ O&M manual and process

### 3 Corporate Philosophies at Nisource

1. Baystate & Northern think O&M manual is requirements to meet code
  2. Columbia puts everything in O&M, training, spirit of way.
  3. Indiana is somewhere in the middle
- Doug Casey new lead for program
  - Don't hesitate to call Steve B
  - Mike Mount commit to status report every 2 weeks on email exec level. Bullets.
    - Status
    - On-going
    - Next steps
  - Talk to Doug about report every 2 weeks
  - Need to start data tracking tool
  - Need to stop all material w/ BSG Litigation wording
  - Bryant will send us rate case schedule

- Steve- they are not up against a hard schedule but need to resolve this earlier rather than later.
- Want product late October to early November Oct 15 Steve presentation to Risk Management Committee
- Need narrowing of options by Oct 15, with draft of Rudden report received
- Need testimony down by February
- Pacific Economics- Kaufman is their PBR expert same as Keyspan's witness
- Plan on getting together w/depreciation and COSS (Paul Mahl) & PBR experts by early September
- Draft of work effort to them by next week; final by September 1.
- Draft recommendations by October 15 on rate recovery options
- No formal report, keep regulatory strategy separate
- We need to pick our benchmark carefully to avoid unwanted interview

#### Business case components

- Need national/regional BS data by 10/15
- Economics/Business Case by 11/1
- Regulatory strategy by 11/1
- Draft testimony by 12/15
- CapEx management process and template
- \* Need to review CapEx decision making process and CapEx management
- \* Keyspan had an issue w/this in MA
- dealing w/ estimating/overruns
- review Keyspan order

#### New CAPEX Effort Added

- Regulations for Capex that is required
- Bidding practices with construction contractors
- Need ROI
- Approvals
- Tracking for as-builts and review
- Approval and process documentation
- Need to differentiate mains and services
- Tom would like to see a template to be used for annual step increase filing to commission (Add as a separate process)
- Develop price estimate for new effort

#### Strategic Options

- Would prefer rate cases every two years rather than accept deferrals and AFUDC
- Priority
  - o Step Rates
  - o 2 year rate cases

- deferral and AFUDC

Mike asked for copy of all reports/audits etc. from Dan in recent history by Sept 1

- Use a key code for all plots don't ID company
- Paul LaShoto former VP hired back to compile support for all projects over \$50K
- Replacement investment Model "RIM"
  - Current model is a derivation of NH BS model and prior to that the Maine CI model
- RIM is used for discretionary CapEx it is not for deciding when funds should be spent just how to allocate it.
- It was last updated last summer
- \* Steve wants to talk about data needs
- bubble chart line/threshold is adjusted each year based on available capital dollars.
- RIM leak prediction is a simplified calculation that is only used in model
- Would like info on other leak detector methods or models
- Possible Meeting the week of September 20<sup>th</sup> in Columbus, OH to get all rate case consultants and staff together



**8/17/04**

Doug Casey BayState

- Keith Dalton said no correspondence w/ DTE regarding BS/CI discussson
- 7&9 in process of pulling data together
- updated document status report based on his comments
- he said status report

8/30/04

## Baystate Budget Talk

Colin Nesbit  
Doug Casey  
Ed Anderson

- combo of historical data and known charges going forward
- prepared for each operating center
- ~~— best they~~
  
- \* cannot compare locations need to each district separately
- budgets are developed months prior to end of year
  - budget time
  - construction April- Nov, 9 months
- engineers do \$ and volumes
- OCM does leaks & locates
- 0101 150 dry holes = vol
- 0102 leaks repair main 1200= vol = # of repairs
- 0122 where pipe comes out of group to meter
- ~~— budget is don't loaded rates~~
- developing loadings will be tough
- actual data 2001-2004 Act & Budget for all 3 divisions for CapEx & O&M
- Doug will average meetings w/ division engineers who do budgeting:
  - John
  - Wayne
  - Keith Dalton is supervisor, Doug will also set up a call with him

## 8/31/04 Baystate Telecom

Dan Cote  
from Dan

- Leaks are rising faster than we are replacing pipe
- Can't continue as normal
- Recommend raising %BS to 4.5%
- Use >50 miles  
    > 5000 services
- Wants to look at KP&L data and Atlanta Gas Light (both under BS replacement mandates)
- Verify ~~your~~ exponential relationship of leak increases
- Develop leak predictions
- Need to spend more time thinking about it
- But need more data
- Wants to look at 5-10 companies or greater
- Limit analysis to just BS now, but want order open enough to be able to address CI if that becomes a problem in the future (ask Ed to confirm this)
- Want order to cover any investment beyond depreciation

---

working on developing data base by town

- # mile of main
- # leaks
- # avg age of pipe
- #MAOP
- weighted class on open repairs vs. completed repairs
- winter degree days

should have analysis in 2 weeks

**9/1/04 Keith Dalton**

- RIM populated in late summer to early fall
- RIM uses rule of thumb estimates for initial RIM
- If project gets funded then a field estimate is done to populate WO estimate but better estimate does not go back into RIM
- CAPEX budgeting \$ is also rule of thumb
- 93% construction done by contractors in all 3 divisions
- contractors are kept on multi-year contracts with no inflation to \$
- main replacements are 98% BS & CI

**9/3/04 Keith Dalton**

**BGS**

**Bill Cyr (bst.cyr@nsource.com)**

- Budget best source

#### Volumes for leak surveys

- Survey driven by code requirements, code says must survey
  - 50% of mains, Brockton has 2500 miles
  - 33% of Services
  - they follow code on services
  - in Brockton they exceed code & survey 100% in their procedures
  - during extreme cold will also do more surveying

#### Same applies for corrosion

- main code requires every 3 years
- services code required every 10 years

#### Unit Costs

- Corrosion & leak surveys done w/ contractor
- They bid work by unit cost or actually \$/day knowing how much they can do per day.
- Generally multi-year contracts
- Some internal labor for process and also leak investigation

#### Leak Repair Volumes

- Leak volumes based on historical averages with intelligence-base adjusted, volume estimates are not based on formulaic calculation

#### Unit cost

- Look at historical average costs and interject intelligence
- Police assistance is largest piece of purchases
- actual year to date may have a mismatch between volumes and \$ for invoices based on timing of entry

#### Line items

101 Investigate leaks ?- not a lot of attention, better to use budget data for forecasting maybe drop

0103 DOT report for services includes 0122 service fit leaks

- We have distribution budget which is all underground
- They also have a service budget
- 0122 service fit leaks should be dropped from BS/CI replacement project but need to understand what goes in it (Bill will follow up on this)

leak activity

- needs to combine O&M and CAPEX

0175 budget volume seems to low

- CI/BS replacement project will have minimal effect on corrosion and leak surveys maybe drop 0111 & 0112
- Probably won't drop 100% survey

0117-0118 in O&M budget but booked actuals to capital accounts. Year end budget \$ is a better source for \$ due to timing issues

0119 drop since CI & BS replacement project is in capital

---

Bill Cyr will investigate what goes into service looks on DOT reports vs. budget line items

10/1/04

**BSG**

**Steve Bryant, Dan Cote, Doug Casey, Tom Birmingham on phone, Ed Anderson, Rich Rudden, Bob O'Brien & Mike Mount**

- Springfield has newer BS and operates at lower pressure per Dan C.
- \* Dan and Steve agree to new sorting criteria.
- Per Dan, remaining 70 miles of NPCS should be dealt with as if BS
  - Bad shape
  - Old
  - Small segments
- If squeezed hard might find 5-6 miles that could be protected
- \* Dan will put together package to defend position on including remaining UPCS with BS
- \* Dan agrees only BS services connected to BS main will be replaced
- \* OK to statistician
- \* OK to metallurgist if tight scope, not to debate protecting BS, mainly to look at UPCS
- But maybe want a leak expert rather than corrosion expert such as Heath Associates. Dan has contacts at Heath.

---

## CAPEX

- Add to procedure post project review by internal BSG managers they currently do this quarterly.
- Paul Lashoto is outside consultant they want Rudden to speak with him as part of this work can speak with in the month
- OK to complete after Oct 31
- \* Dan will chase documentation of historical CAPEX review meetings
- \* Sounds like we have go ahead per Steve
- Steve will set up a conference call with Trish, Steve, Bob and Mike

## Financial Model

- Characterize estimate of zero leak as conservation
- Replacing 14 mile/year over last 15-20 years with 500 miles have ~35-36 years
- \*Shorten status quo to real status quo years
- Use depreciation rate from plastic since over 90% will be plastic
- 8" size is cutoff and a grayline between steel and plastic.
- Rudden to work with Dan to define estimate of program by town and then explain methodology.
- \*Eliminate C&I and Residential allocation

- \*Dan does have material overhead on capital.
- Barholes - remove “dry hole” reference
- Change year 1 of program to 2005
- \* Include in tracker
  - capital
  - increased depreciation
  - increased property tax
- \* Spell check for DIT currently DOT
- \* MDM- send letter to Trish to confirm scope and \$ charge



**10/20/04**

**CapEX**

**Paul LaShoto, Doug Casey**

Paul LaShoto was at BSG for 12 years- Head of Engineering

Northern Utilities Bare Steel Program may have examples-

Problems

- No copy of approvals
- Corp office doesn't have records that divisions have
- No explanation of growth and expected sale
- Matching estimates to actuals
- Explanations of average

Good Stuff

- Had policy anything above +XK was bid out
- All fixed cost with fixed unit price for extras
- All work by contractors
- Inspectors sign-off anything unusual and over estimate by volume of priced extras
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- Above applied to all categories of projects whether growth or not instead of CIAC

Annual Projects/Annual Bids

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2. routine small projects bid to consultants give list of normal types of projects and they bid on unit/price

4-5 contractors selected for routine work during year.

With small projects did not see a lot of paper work

Had total expenditures by type field locations managed individual project but Paul not really.

Budgets aggregated at division

Division manager maybe point for paper

Have two processes

- Blue Sheet- T&D
- Yellow Sheet- Current capital categories

Discretionary            1. Growth - discretionary and revenue

Non-discretionary    2. Code compliance

    \    To meet  
         current  
         customers

Non-discretionary	3. System Need- capacity, System improvement- reliability, System reinforcement - replacement
Non-discretionary	4. Municipal Improvement forced move due to municipal changes/requests
discretionary	5. Municipal improvement. Street resurfacing over pipe that needs replacement allows pipe replacement at 10-15% ?
discretionary	6. Performance or condition where pipe is old and needs replacement but is discretionary.

10/22/04

Tom Birmingham

Cost per mile min \$60/ft

Cost per service \$1400

He needs to check- 72,000 at Risk Services  
630 at Risk mains

Going in 9.25% WACC

+/- 0.25%

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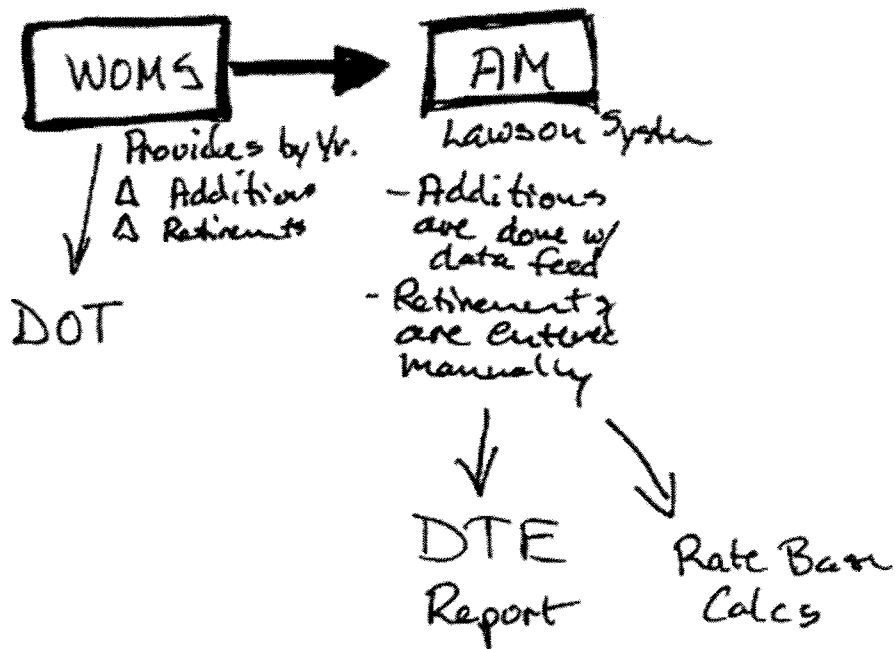
11-17-04

BSG Conference Call

Steve B. Doug C., Tom B., Rich R., Ed A., George F.

DOT

AM



Steve will call us back in one day.

**11/24/04**

**Doug & Tom  
BSG**

?Expand to state level analysis with DOT data?  
Do the state analysis!

Evaluation of discrepancies

- Will hold next meeting Tuesday with large group
- Currently appears
  - Asset management data OK
  - WOMS data OK
- DOT report uses a program to extract WOMS data. It appears logic in extract program is wrong
- DOT leak data
- Now questioning the need for DOT analysis
- Want meeting with Bob and team to discuss how to use our analysis in filing, e.g. do we use DOT analysis suggest we meeting in our offices, theirs or Manhattan
- Send template
- Send explanation of how to calculate values of UPCS \$

Tuesday meeting 9-10:30

---

2003 DOT Annual Distribution

- Report data
- RJR data request

Division level leak data 1985-2003

Main's information from asset manager e-mailed 10-7-04

Leak data from WOMS.xls

12/1/04

BSG

**Tom Birmingham, Doug Casey, Rich Rudden, Ed Anderson & Mike Mount**

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- Tuesday meeting had 15-20 people, including Steve, Dan and people from Ohio.
  - Differences between DOT & DTE report are only footage difference in main, # of services has not been reconciled.
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  - March 15 is rate impact
  - Schedules due April 15
  - \* Give Tom a drop dead date for latest date per worst case should allow 4 weeks.
- Rich to restrategize

← 3/15 → ← 3/15 →

**12/10/04**

**BSG Status Report**

**Tom Birmingham, Doug Casey, Ed Anderson and Mike Mount**

- Struggled to determine a defensible analysis
- Have useable data on BS mains, leaks, \$, and quantity
- Still have questionable data on UPCS and Services
- We must make adjustments to deal with latest status of data
- Our report can address recommendations for BS & UPCS for both mains and services
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- We then can address services and UPCS through expert opinions and industry experience.
- Services subject to same corrosion issues and degradation as mains
- UPCS should be worse based on expert opinion
- Financial analysis will address known quantifies of BS mains then add additional scenario to cover added \$ of services and UPCS.

**12/16/04**

**BSG Conference Call**

**Tom B., Marie Walker., Rob Dewees, Ed Anderson, Bob O., Mike M. and Doug Casey**

Marie says currently just looking at units of main

2 weeks ago thought A.M. data the best, now DOT data may be the best

Maria has found retirements that are not part of a main replacement do not get to the asset management system she think it accounts for about 55 mile difference between AM & DOT since DOT does capture this footage.

2-2:30 Friday- conf call with Tom, Steve, Doug, Ed and Bob



**12/17/04 BSG Call**

**Dan Cote, Doug Casey, Tom Birmingham, Ed Anderson, Joe Trainor, Bob O'Brien,  
Steve Bryant, Rob Dewees**

Use \$20M/per year

**1/20/05**  
**BSG**

Maria reconstructed DOT report starting from 1992 and found much higher level of

- in reconstruction
- DOT BS was 1% variance
- UPCS not complete

Steve feels Bob hours should be backed out and any new hours for rate case

**1/31/05**  
**BSG Call**  
**Tom Birmingham**

- Steve Bryant availability – 9 to 11 and 2:30 to 5
- no work plan for CapEx piece
- 1985 –2003 data is their first choice